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Abstract

The City of Tipton seeks to identify capable entities willing to contract with the City to provide cost-competitive, reliable, high-capacity, gigabit speed broadband (Required Services) to all Tipton residents, businesses, and anchor institutions through an area-wide fiber-to-the-premises (FTTP) network.

This RFI provides prospective respondents with sufficient information to prepare and submit responses for the Required Services.

Request for information (RFI)

Community Wide Broadband Services



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# 1: INTRODUCTION

The primary goal of the City of Tipton (the “City”) is to facilitate a solution or solutions that provide improved broadband services for its citizens. Improved broadband services in this context means the following:

1. **High performance**. Any consumer (residential, commercial, anchor institutions) within the city limits should have access to internet speeds of at least 1 gigabit per second (1 Gbps) utilizing a fiber-to-the-premise network. The solution should be capable of providing higher-capacity services as needs develop and internet usage continues to expand. Overall network performance should be excellent.
2. **Ubiquitous coverage**. The solution should be available at every premise within the city limits.
3. **Affordability**. The solution should include options for affordable access for lower-income families, with priority to households with K-12 students.
4. **Reliability**. The solution should provide enhanced reliability, including redundant connections to the outside world.
5. **Customer service excellence**. The solution should provide consumers with an improved customer experience in all aspects, including response times to service issues.
6. **Competitive pricing**. Products and services offered by the solution should be priced competitively with other provider options in the market.

This Request for Information (“RFI”) seeks to identify qualified companies that can achieve these goals either individually or in partnership with the City. Responses are welcome from any entity with a track record of providing excellent broadband services and the ability to meet the city’s goals. This may include incumbent service providers, competitive providers, nonprofit organizations, public cooperatives, nontraditional providers, and any other interested, capable entities.

The City has initiated this RFI to expand its knowledge of the industry marketplace by identifying one or more entities for the City to potentially engage in exploratory discussions to enable or directly provide price-competitive, reliable, high-capacity, gigabit speed (or higher) broadband services (the “Required Services”) to end-users generally within the city limits of Tipton. City, educational, business, residential, and community-wide leaders place priority on providing the Required Services to everyone in the community. Successful Responses to this RFI will demonstrate how the respondent’s approach will further the City’s goals to effectively deploy and provide the Required Services throughout Tipton in a manner consistent with Iowa laws.

Each potential service market and business model that accomplishes this goal contains a unique combination of opportunities and challenges. The City has identified three business models to pursue for additional information:

1. A municipal-owned and operated (“utility”)
2. Public/private partnership agreements (“wholesale”), and
3. Private operation without City participation.

The City is not seeking Responses from vendors for the utility model at this time. **We do seek Responses that focus on public/private partnerships/agreements and/or franchise business models that effectively share technological capabilities, operational responsibilities, and/or financial risks between the City and the successful respondent(s).**

Responses should provide information to the City that helps it identify potential business models and partnering alternatives it might pursue. This includes identifying strategic-level conceptual terms and conditions under which selected providers would likely participate in such a project. The City is most interested in identifying providers able to construct, manage, or utilize a robust network that leads to reliably providing cost-competitive access to the Required Services in a timely manner (1–2 years).

The City will consider a wide range of construction, operation, ownership, and financing options associated with public-private agreements, non-exclusive franchises, and other appropriate alternatives in its evaluation of business models to pursue. This includes creative solutions maximizing the efficiency of total investments by all parties while providing the Required Services to meet the needs of its citizens.

Respondents are encouraged to share their expertise so that it may be used to shape the direction and formation of the network. **Multiple providers may collaborate to respond to this RFI jointly**. Responses to this RFI may be used by the City to prequalify, based on capability, organizations who may be interested in responding to any subsequent future Request for Proposal or Request for Quotation initiatives for this project.

# 2: RFI OBJECTIVES AND SCOPE

The City’s objectives and scope of the RFI process are as follows:

1. Identify entities interested in engaging with the City to make the Required Services available in the Tipton city limits.
2. Identify and evaluate innovative, cost-effective, sustainable, resilient business models to deploy the Required Services in the Tipton city limits.
3. At the City’s option, meet with select respondents for in-depth discussions regarding the entities’ approach, capability, business model, and proposed key terms and conditions. Discussions may be expanded to jointly develop details of potential agreements, non-exclusive franchise, or other business arrangements.

Based on the outcome of the RFI and subsequent discussions with select entities, the City will determine next steps based on the City’s best interest.

# 3: PROJECT BACKGROUND AND MARKET DEMAND

Tipton, Iowa is the county seat of Cedar County, Iowa. The City currently operates municipal electric, natural gas, wastewater, solid waste, and water utilities.

Other facts about Tipton include the following:

* 2010 Census Population: 3,223
* Households: 1,300
* Median Age: 40 years
* Total area within City limits: 2.02 square miles

In 1997 the City held a referendum to establish a municipal communications utility. That ballot issue was approved by 86% of the voters. Despite strong voter interest, the project was not pursued further.

In 2019, the City of Tipton hired SmartSource Consulting, LLC to conduct a community broadband study. This study found general dissatisfaction with existing broadband service providers among Tipton citizens, and significant interest in a new, fiber-based broadband provider in Tipton. As part of the broadband study, a high-level project cost estimate was prepared for both FTTP and hybrid fiber-wireless network architecture. **Copies of these study reports are available upon request.**

Based on the results of work done to-date and under the authority granted by voters, the City of Tipton continues its due diligence by examining various ways to improve broadband connectivity in the community. Several acceptable pathways to achieving this goal have been identified:

1. A municipal fiber-to-the-premise (FTTP) network owned and operated by the City.
2. Attraction of a new, private provider to build and operate a FTTP network in Tipton able to commit to meet access goals in a reasonable timeline.
3. A combination of public and private ownership based on the combination of information provided in the feasibility study and through this RFI process that serves the best interests of Tipton and its citizens. This could include City ownership of all or a portion of a FTTP network or a duct network connecting every premise.

# 4: CITY PRIORITIES

As a result of previous research on the topic and discussion among community leadership, the City has determined that the ideal outcome of this RFI will be the identification of a partner(s) that accomplish the following priorities:

## Delivery Network Ownership (inside Tipton)

The City would consider any proposal that accomplishes the goal of passing 100% of homes and businesses within the city limits that also achieves its other goals. This would include proposals that require City ownership in all or part of the fiber network or of a duct network connecting every premise.

## Middle Mile Network Ownership (outside Tipton)

The City would entertain any combination of new construction, dark fiber leases, or circuit leases that provides redundancy and the lowest possible cost for transport and internet bandwidth. In order of preference:

1. Jointly-owned infrastructure (existing or new)
2. New city-owned infrastructure
3. Dark fiber leases
4. Circuit leases

## Service Infrastructure

The City would rely on a partner(s) to provide needed service infrastructure elements, including a cable TV headend and voice switch.

## Utility Operations

The City would prefer a partnership that limits staffing requirements. Variations could include:

1. Partner performs all functions, including both back office and customer facing
2. Partner performs technical operations functions while City performs customer-facing functions

## Products and Services

The City would prefer partner relationships that allow a direct say in product selection, pricing, and customer service delivery expectations regardless of whether the City is the brand.

Services must include broadband internet access with at least 1 Gbps download speeds, TV services, and telephone services. Additional services may also be considered if they are of value to Tipton consumers.

However, responses to this RFI may include management alternatives for the City to duly consider.

# 5: RFI SUBMITTAL

Qualified entities that are capable and may have an interest in engaging with the City to contract, deploy, and/or operate the Required Services are encouraged to respond to this RFI.

Respondents are encouraged to provide as much information as possible to allow the City to make an informed evaluation. However due to the expected volume of information this RFI process is expected to generate, we ask that each respondent limit its response to not more than 20 pages total.

Responses should provide the following information:

1. Company name, address, website;
2. Organization type (corporation, subsidiary, partnership, individual, joint venture, other);
3. Name and contact information (email, phone) of the company representative responsible for providing further information;
4. A brief overview of the company’s capabilities, management, and key project team members pertaining to providing the Required Services;

A brief narrative describing the firm and team’s demonstrated experience with planning, engineering, financing, constructing, implementing or operating networks capable of providing the Required services. Please note any successful experiences collaborating with a public municipality or utility.

1. A brief, high-level description of the company’s proposed solutions, products, and services including, but not limited to:
2. Key components of a proposed business model, including describing its:
	1. Business or network ownership structure;
	2. Roles and levels of ongoing governance, management, operations, customer billing, and customer service functions by each proposed party;
	3. Geographical coverage of the proposed network and services being provided;
	4. Core technologies used to provide Required Services and levels of redundancies;
	5. Key product and service suppliers central to implementing the Required Services;
	6. Elements of network construction being undertaken by proposed parties, including network design, engineering, vendor selection, and construction;
	7. Implementation schedules including geographical coverage phasing;
	8. Implementation strategies and roles including branding or co-branding, community engagement, customer education, marketing, and others impacting the project’s success.
3. Customer and City rate impacts; the City recognizes respondents may not have project costs specific to the Tipton area or may not have adequate budgetary information to provide detailed responses to this section, however Responses are encouraged to provide summarized estimated ranges of financial metrics most applicable to the proposed business model including:
	1. Project cost
	2. Cost of monthly service (to residential, business, dark fiber, etc.)
	3. Factors impacting monthly costs (as specific as possible)
	4. Outcome variance tolerance levels expected
4. Financing and funding elements:
	1. The City’s level of up-front and ongoing financial participation and commitments;
	2. Other proposed parties’ up-front and ongoing financial participation;
	3. Debt restrictions (i.e. debt covenants, collateral, and guarantees);
	4. Risk-sharing strategies (i.e. levels of sharing of revenue, gross margin, profits, or operational costs);
5. Key legal and risk management provisions required by all proposed parties to enter into agreements or non-exclusive franchise arrangements, including key terms and conditions;
6. Innovative features of the solution/product(s), including a general description of unique benefits provided by the entity or proposed partnership. Include any enhanced abilities to provide economic development and quality of life benefits to the Tipton community, schools, medical facilities, residents, and businesses;
7. Other information as deemed pertinent by respondents.
8. Additional data needing to be researched, or professional services contracted for, by the City prior to the respondent committing to proposed activities and advancing in the selection process.
9. A statement expressing how your company would plan to become an involved and engaged member of the Tipton community if your proposal were accepted. This should include how local customer service functions will be accomplished.

# 6: ADDITIONAL CONSIDERATIONS

## RFI Addenda

If it becomes necessary to revise any part of the RFI, an addendum will be posted on the City’s website by August 28, 2020. Respondents are responsible to check online prior to submission of their response.

## Respondent responsible for all costs

The City is not liable for any costs incurred by any Respondent associated with the preparation and submission of a response to this RFI, including costs related to potential travel to Tipton or supplying requested studies, plans, specifications, or other information.

## Confidentiality

Respondents acknowledge that the City may be required to disclose any or all of the documents submitted with a response, pursuant to the Iowa Open Records Law, Chapter 22. Respondents **must clearly designate** any documents or content submitted **proprietary or confidential** to avoid being disclosed in the event of a request for documents under Iowa law. Responses submitted and terms and conditions specified in each Respondent’s response shall remain the property of the City.

# 7: SUBMITTAL INSTRUCTIONS

1. **All responses must be received no later than 5:00pm CDT on September 25, 2020.**
2. RFI response submissions should be provided electronically as a single Microsoft Word or PDF document. Email submissions to: curtis@smartsourceconsulting.com with a copy to citymanager@tiptoniowa.org.
3. Responses received after the deadline will not be accepted. Please allow extra time for delivery before the deadline.

# 8: RFI SCHEDULE

The preliminary RFI schedule is tentatively set as follows:

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| --- | --- |
|  Issuance of Request for Information | August 6, 2020 |
|  Possible Addendum posted to City of Tipton website | August 28, 2020 |
|  RFI Responses Due | September 25, 2020 |
|  Discussion/Evaluation Period Starts | September 28, 2020 |
|  Report to City Council | October 19, 2020 |

# 9: QUESTIONS

Potential respondents seeking pre-submittal information should contact:

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At its sole discretion, the City may conduct a meeting with potential respondents to respond to questions and clarify matters contained in this RFI. Meetings may be held individually or in a group format.